

Today's Speak Easy

Alcohol Impact Area Rules to be Studied by Gigi Zenk

The Liquor Control Board Alcohol Impact Area (AIA) rules were written in 1999 to create a framework for communities, the agency, and the alcohol industry to work together to mitigate communities' problems with chronic public inebriation (CPI) or illegal activities linked to the sale or consumption of alcohol. In December 2001, the Board passed a resolution to formally recognize the state's first AIA in the city of Tacoma.

As provided by the AIA rules, a study of the effectiveness of the rules will be conducted by Washington State University's Social and Economic Sciences Research Center. The study will: 1) determine whether there have been any significant changes in the negative impacts of CPI; 2) gather information and data on retailers' marketing practices and buying habits of chronic public inebriates that will help the community and the Board evaluate which restrictions might be effective in addressing CPI problems; and 3) develop standards and guidelines to measure the effectiveness of AIA restrictions. Study results will be presented to the Board in June.

Quality Team to Improve Licensing Process by Lorraine Lee

In partnership with key agency stakeholders, the Liquor Control Board formed a cross-functional quality team in December 2002, to examine the agency's liquor licensing process. In an effort to improve customer service and strengthen partnerships with customers, stakeholders, and communities, the team will look to implement further effective business practices. As part of the team's assessment of the current process, two focus groups of recent licensees were held to obtain their feedback and input on possible improvement opportunities. The focus groups provided valuable information and ideas. In general, focus group participants were complimentary of the customer service provided by LCB staff. Suggestions made in these sessions are being considered by the team to formulate an action plan of process improvements.

Team members include various representatives of Board primary stakeholders such as the Washington Restaurant Association, the Washington Association of Neighborhood Stores, Korean-American Grocers Association, and the Association of Washington Cities. The team is expected to complete its review and make recommended changes by the end of June.

Board Conducts Wine Study by Gigi Zenk

The Liquor Control Board will conduct a wine study to update the agency's existing wine program strategy. The study will focus on current wine market trends nationally and in Washington State, retail price, distribution, merchandising and displays. The study may also look at partnerships to assist Washington producers and suppliers. The study is expected to be completed by June. Key stakeholders will be interviewed as part of this study and have the opportunity to discuss changes and improvements to the current program.

New Penalty Guideline Rules by Teresa Berntsen

The Liquor Control Board has revised the rules that outline **standard penalties for liquor violations**. This new chapter of rules replaces the existing penalty guideline rules (WAC 314-12-300 through WAC 314-12-330 and WAC 314-12-340).

The purpose of revising these rules was to:

- **Add more detailed penalty guidelines for nonretail violations.** The old rules had one catchall category for violations involving the manufacture, supply, and/or distribution of liquor by nonretail licensees and prohibited practices between nonretail and retail licensees. The new rules break this general category down into types of violations, similar to how retail penalty guidelines are currently broken down.
- **Add a standard penalty guideline schedule for violations of Alcohol Impact Area rules.** The new rules list the standard penalty for violations of the Alcohol Impact Area rules. The Alcohol Impact Area rules, adopted in 1999, allow cities that have severe problems with chronic public inebriation to request that the Board impose certain restrictions on the to-go sales of alcohol in a defined geographic area. Currently the only Board-approved Alcohol Impact Area is in Tacoma.
- **Clarify existing language, no changes.** The new rules are reorganized and reworded for clarity.

We hope that the new rules are easier to understand and follow. If you have any questions, please contact your local liquor control agent or the Liquor Control Board's rules coordinator, Teresa Berntsen, at 360-664-1648 or by e-mail at teb@liq.wa.gov.

The following rules will go into effect on May 5, 2003:

WAC 314-29-003 Purpose. The purpose of chapter 314-29 WAC is to outline what a liquor licensee can expect if a licensee or employee violates a liquor control board law or rule.

WAC 314-29-015 What are the penalties if a liquor license holder violates a liquor law or rule? (1) The purpose of WAC 314-29-015 through WAC 314-29-040 is to outline what penalty a liquor licensee can expect if a licensee or employee violates a liquor control board law or rule (the penalty guidelines for mandatory alcohol server training permit holders are in WAC 314-17-100 through WAC 314-17-110).

(2) Penalties for violations by liquor licensees or employees are broken down into four categories:

(a) Group 1 - Public Safety Violations, WAC 314-29-020.

(b) Group 2 - Conduct Violations, WAC 314-29-025.

(c) Group 3 - Regulatory Violations, WAC 314-29-030.

(d) Group 4 - Violations involving the manufacture, supply, and/or distribution of liquor by nonretail licensees and prohibited practices between nonretail licensees and retail licensees, WAC 314-29-035.

(3) For the purposes of chapter 314-29 WAC, a two year window for violations is measured from the date one violation occurred to the date a subsequent violation occurred.

(4) The following schedules are meant to serve as guidelines. Based on mitigating or aggravating circumstances, the liquor control board may impose a different penalty than the standard penalties outlined in these schedules.

(a) Mitigating circumstances	(b) Aggravating circumstances
<p>Examples of mitigating circumstances that may result in a fewer number of days of suspension or a lower monetary option include, but are not limited to, having in place business policies and practices such as:</p> <ul style="list-style-type: none"> • Using licensee certification cards that are correctly filled out and filed; • Having direct on-site supervision of employees; • Having a signed acknowledgment of the business' alcohol policy on file for each employee; • Having an employee training plan that includes annual training on liquor laws; • Showing cooperation with local law enforcement; etc. 	<p>Examples of aggravating circumstances that may result in a higher number of days of suspension, a higher monetary option, or cancellation of a liquor license include, but are not limited to:</p> <ul style="list-style-type: none"> • Failing to cooperate with local law enforcement or liquor control board employees; • Not calling for local law enforcement when requested by a customer or liquor control board agent; • Not checking to ensure employees are of legal age or have appropriate work permits; • Committing the violation willfully; etc.

WAC 314-29-020 Group 1 violations against public safety. Group 1 violations are considered the most serious because they present a direct threat to public safety.

Violation Type	1st Violation	2nd Violation in a two-year window	3rd Violation in a two-year window	4th Violation in a two-year window
Sale or service to minor: Sale or service of alcohol to a person under 21 years of age.	5 day suspension or \$500 monetary option	7 day suspension with no monetary option	30 day suspension with no monetary option	Cancellation of license
Minor frequenting a tavern, lounge, or other age restricted area.	5 day suspension or \$500 monetary option	7 day suspension with no monetary option	30 day suspension with no monetary option	Cancellation of license
Sale or service to apparently intoxicated person: Sale or service of alcohol to, or permitting consumption or possession by, an apparently intoxicated person.	5 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 monetary option	Cancellation of license
Disorderly conduct by licensee or employee, or permitting on premises.	5 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 monetary option	Cancellation of license
Criminal conduct: Permitting or engaging in criminal conduct.	5 day suspension or \$500 monetary option	7 day suspension with no monetary option	30 day suspension with no monetary option	Cancellation of license

WAC 314-29-025 Group 2 conduct violations. Group 2 violations are violations involving conduct of a retail or nonretail licensee, employees, or patrons.

Violation Type	1st Violation	2nd Violation in a two-year window	3rd Violation in a two-year window	4th Violation in a two-year window
Misuse or unauthorized use of liquor license.	5 day suspension or \$1,500 monetary option	Cancellation of license	Cancellation of license	Cancellation of license
Sale of alcohol in violation of a board-approved alcohol impact area restriction.	5 day suspension or \$500 monetary option	7 day suspension or \$1,500 monetary option	10 day suspension with no monetary option	Cancellation of license
Employee under legal age or without required mandatory alcohol server training permit.	5 day suspension or \$250 monetary option	5 day suspension or \$1,500 monetary option	10 day suspension or \$3,000 monetary option	Cancellation of license
Hours of service: Sales, service, removal, or consumption of alcohol between 2:00 a.m. and 6:00 a.m.	5 day suspension or \$250 monetary option	5 day suspension or \$1,500 monetary option	10 day suspension or \$3,000 monetary option	Cancellation of license
Food service: Required food service not available.	5 day suspension or \$250 monetary option	5 day suspension or \$1,500 monetary option	10 day suspension or \$3,000 monetary option	Cancellation of license
Substituting, tampering, unlawful removal, possession, or unauthorized sale of liquor.	5 day suspension or \$250 monetary option	5 day suspension or \$1,500 monetary option	10 day suspension or \$3,000 monetary option	Cancellation of license
Lewd conduct: Engaging in or permitting conduct in violation of WAC 314-11-050.	5 day suspension or \$250 monetary option	5 day suspension or \$1,500 monetary option	10 day suspension or \$3,000 monetary option	Cancellation of license

Violation Type	1st Violation	2nd Violation in a two-year window	3rd Violation in a two-year window	4th Violation in a two-year window
Retailer/nonretailer violation: Violation on the part of a retail licensee that involves a nonretail licensee, other than group four violations.	5 day suspension or \$100 monetary option	5 day suspension or \$500 monetary option	10 day suspension or \$1,000 monetary option	20 day suspension with no monetary option

WAC 314-29-030 Group 3 regulatory violations. Group 3 violations are violations involving administrative requirements.

Violation Type	1st Violation	2nd Violation in a two-year window	3rd Violation in a two-year window	4th Violation in a two-year window
Keg registration: Failure to properly register kegs.	5 day suspension or \$500 monetary option	5 day suspension or \$1,000 monetary option	10 day suspension or \$1,500 monetary option	20 day suspension with no monetary option
Signs: Failure to post required signs.	5 day suspension or \$100 monetary option	5 day suspension or \$500 monetary option	10 day suspension or \$1,000 monetary option	20 day suspension with no monetary option
Records: Improper record keeping.	5 day suspension or \$100 monetary option	5 day suspension or \$500 monetary option	10 day suspension or \$1,000 monetary option	20 day suspension with no monetary option
Advertising: Advertising violations other than those involving prohibited practices between a nonretail and a retail licensee.	5 day suspension or \$100 monetary option	5 day suspension or \$500 monetary option	10 day suspension or \$1,000 monetary option	20 day suspension with no monetary option
Inventory: Inventory below required amount.	5 day suspension or \$100 monetary option	5 day suspension or \$500 monetary option	10 day suspension or \$1,000 monetary option	20 day suspension with no monetary option
Unauthorized alterations, change of trade name, or added activity.	5 day suspension or \$100 monetary option	5 day suspension or \$500 monetary option	10 day suspension or \$1,000 monetary option	20 day suspension with no monetary option
Lighting: Inadequate lighting.	5 day suspension or \$100 monetary option	5 day suspension or \$500 monetary option	10 day suspension or \$1,000 monetary option	20 day suspension with no monetary option
Liquor purchased from unauthorized source or sale below cost in violation of a liquor law or rule.	5 day suspension or \$100 monetary option	5 day suspension or \$500 monetary option	10 day suspension or \$1,000 monetary option	20 day suspension with no monetary option

WAC 314-29-035 Group 4 violations. Group 4 violations are violations involving the manufacture, supply, and/or distribution of liquor by nonretail licensees and prohibited practices between a nonretail licensee and a retail licensee.

Violation type	1st Violation	2nd Violation in a two-year window	3rd Violation in a two-year window	4th Violation in a two-year window
Providing credit to a retail licensee.	3 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 monetary option	20 day suspension or \$10,000 monetary option
Quantity discount.	3 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 monetary option	20 day suspension or \$10,000 monetary option
Giving away liquor in violation of a liquor law or rule.	3 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 monetary option	20 day suspension or \$10,000 monetary option
Consignment sales/return of product in violation of a liquor law or rule.	3 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 monetary option	20 day suspension or \$10,000 monetary option
Advertising violations involving prohibited practices between a nonretail and a retail licensee.	3 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 monetary option	20 day suspension or \$10,000 monetary option
Price posting/labeling/packaging violations.	3 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 monetary option	20 day suspension or \$10,000 monetary option
Agents violations: Nonretail licensee employing an unlicensed agent.	3 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 monetary option	20 day suspension or \$10,000 monetary option
Unauthorized product/unapproved storage or delivery.	3 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 monetary option	20 day suspension or \$10,000 monetary option
Sampling/tasting violations.	3 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 monetary option	20 day suspension or \$10,000 monetary option

Violation type	1 st Violation	2 nd Violation in a two-year window	3 rd Violation in a two-year window	4 th Violation in a two-year window
Entertainment/ instruction/ meeting/trade show violations.	3 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 monetary option	20 day suspension or \$10,000 monetary option
Providing/ accepting money or money's worth: Goods or services worth less than \$100.	3 day suspension or \$250 monetary option	5 day suspension or \$500 monetary option	10 day suspension or \$1,000 monetary option	20 day suspension or \$2,000 monetary option
Providing/ accepting money or money's worth: Goods or services worth \$100 to \$1,000.	3 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 monetary option	20 day suspension or \$10,000 monetary option
Providing/accepting money or money's worth: Goods or services worth over \$1,000.	Cost of item or service provided plus: 3 day suspension or \$1,000 monetary option	Cost of item or service provided plus: 5 day suspension or \$2,500 monetary option	Cost of item or service provided plus: 10 day suspension or \$5,000 monetary option	Cost of item or service provided plus: 20 day suspension or \$10,000 monetary option
Providing/ accepting exclusive or contingency agreements.	3 day suspension or \$1,000 monetary option	10 day suspension or \$6,000 monetary option	20 day suspension or \$12,000 monetary option	30 day suspension or \$20,000 monetary option
Unauthorized interest or ownership in retail license.	3 day suspension or \$1,000 monetary option	30 day suspension or \$20,000 monetary option	Cancellation of license	
Failure to obtain surety bond/ savings account, if required by the board.	Immediate suspension of license until surety bond has been obtained and all missing reports are filed and late taxes are paid.			
Failure to file tax/shipment report.	3 day suspension or \$250 monetary option	5 day suspension or \$500 monetary option	10 day suspension or \$1,000 monetary option	20 day suspension or \$2,000 monetary option

WAC 314-29-040 Information about liquor license suspensions. (1) On the date a liquor license suspension goes into effect, a liquor control agent will post a suspension notice in a conspicuous place on or about the licensed premises. This notice will state that the license has been suspended by order of the liquor control board due to a violation of a board law or rule.

(2) During the period of liquor license suspension, the licensee and employees:

(a) Are required to maintain compliance with all applicable liquor laws and rules;

(b) May not remove, alter, or cover the posted suspension notice, and may not permit another person to do so;

(c) May not place or permit the placement of any statement on the licensed premises indicating that the premises have been closed for any reason other than as stated in the suspension notice (see WAC 314-01-005 for the definition of "licensed premises").

(d) May not advertise by any means that the licensed premises is closed for any reason other than as stated in the liquor control board's suspension notice.

(3) During the period of liquor license suspension:

(a) A retail liquor licensee may operate his/her business provided there is no sale, delivery, service, consumption, removal, or receipt of liquor. No banquet permit or special occasion function may be held on the premises during a period of liquor license suspension.

(b) A nonretail licensee may operate his/her business provided there is no sale, delivery, service, consumption, removal, or receipt of liquor.

(c) A manufacturer of alcohol may do whatever is necessary as a part of the manufacturing process to keep current stock that is on hand at the time of the suspension from spoiling or becoming unsaleable during a suspension, provided it does not include bottling the product. The manufacturer may not receive any agricultural products used in the production of alcohol, crush fruit, or bottle alcohol during the period of suspension.